

CIVIC CENTER (14)

AGENCY PLAN: STATEMENT OF PURPOSE, GOALS AND BUDGET SUMMARY

STATEMENT OF PURPOSE:

The Civic Center Department provides and promotes world class facilities and services for conventions, trade shows, banquets, special events, cultural events and major public and sporting events in order to create both temporary and permanent economic impact to the City of Detroit.

AGENCY GOALS:

1. Heighten our level of customer satisfaction by providing a safe and attractive facility with a responsive, customer-driven staff.
2. Increase booking and event-generated revenue through proactive initiatives, causing an increased demand for hospitality services that relate to Cobo activity.
3. Reduce administrative, operational and maintenance costs.
4. Improve employee morale through the implementation of Total Quality Management principles, including employee training and empowerment initiatives.
5. Improve communication and cooperation with Detroit hospitality service providers (hotels, Detroit Metro Convention and Visitors Bureau, etc.)

AGENCY FINANCIAL SUMMARY:

2005-06 <u>Requested</u>		2004-05 <u>Budget</u>	2005-06 <u>Recommended</u>	Increase <u>(Decrease)</u>
\$26,212,071	City Appropriations	\$26,142,976	\$17,993,715	\$ (8,149,261)
<u>1,040,000</u>	Renewal and Replacement Funds	<u>925,000</u>	<u>1,040,000</u>	<u>115,000</u>
\$27,252,071	Total Appropriations	\$ 27,067,976	\$ 19,033,715	\$ (8,034,261)
\$ 9,403,809	Operating Revenues	\$ 9,217,661	\$ 9,003,809	\$ (213,852)
<u>1,040,000</u>	Renewal and Replacement Funds	<u>925,000</u>	<u>1,040,000</u>	<u>115,000</u>
10,443,809	Total Revenues	\$ 10,142,661	\$ 10,043,809	\$ (98,852)
\$16,808,262	NET TAX COST:	\$ 16,925,315	<u>\$ 8,989,906</u>	\$ (7,935,409)

AGENCY EMPLOYEE STATISTICS:

2005-06 <u>Requested</u>		2004-05 <u>Budget</u>	04-01-05 <u>Actual</u>	2005-06 <u>Recommended</u>	Increase <u>(Decrease)</u>
<u>84</u>	City Positions	<u>84</u>	<u>72</u>	<u>83</u>	<u>(1)</u>
84	Total Positions	84	72	83	(1)

ACTIVITIES IN THIS AGENCY:

	2004-05 <u>Budget</u>	2005-06 <u>Recommended</u>	Increase <u>(Decrease)</u>
Administrative Services	\$ 1,453,889	807,077	\$ (646,812)
Civic Center Facilities Operations	22,805,279	16,760,143	(6,045,136)
Property Management	<u>2,808,808</u>	<u>1,466,495</u>	<u>(1,342,313)</u>
Total Appropriations	\$ 27,067,976	\$ 19,033,715	\$ (8,034,261)

CIVIC CENTER (14)

ADMINISTRATIVE SERVICES MEASURES AND TARGETS

ACTIVITY DESCRIPTION: ADMINISTRATIVE SERVICES

The Civic Center Department's Administrative Services unit establishes and implements policies, and provides all technical and administrative support to ensure the long-term viability of the Cobo Center complex as a world class attraction that serves as an economic catalyst for the City of Detroit and the State of Michigan. The unit provides and promotes a safe, attractive, well-managed, customer-friendly environment for Detroiters and visitors, making Cobo a magnet for conventions, trade shows, conferences, banquets and special events. The unit also monitors and maximizes the business relationship with Cobo's labor unions, exclusive contractors, Olympia Arenas, Incorporated and the Detroit Metro Convention and Visitors Bureau (DMCVB).

GOALS:

1. Reduce administrative and maintenance costs.
2. Improve employee moral through the implementation of Total Quality Management principles, including employee training and empowerment initiatives.

MAJOR INITIATIVES FOR FY 2004-05 and FY 2005-06:

The City will lead a push for the establishment of a Convention Center Authority. The Tourism Action Group (TAG) assigned by the Detroit Metro Convention and Visitors Bureau in 2003 has studied the convention market and made recommendations about expansion and governance. TAG consists of representatives from Detroit, Wayne, Oakland and Macomb counties and the private sector, and this will be the base moving for the legislation.

The governance and funding arrangements are under discussion, but are assumed in the 2005-06 recommended budget to more closely mirror the distribution of economic development benefits in the region.

PLANNING FOR THE FUTURE FOR FY 2005-06, FY 2006-07 and BEYOND:

Few municipalities in the country operate regional convention centers, and fewer do so with local general fund dollars. Few events have the importance of the North American International Auto Show. The Detroit Auto Dealers Association released a study showing the 2003 auto show among leaders of events nationally in terms of economic impact and media attendance. TAG's economic impact of study found that suburban counties reap greater benefit from such events than does Detroit.

Authorities typically collect and administer taxes for a specific purpose. Questions about expanding or new construction to keep pace with increasing space standards in the industry will be resolved in the process of establishing the governance structure. All cost-effective arrangements for delivering facility service will then be assessed by the Authority.

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ADMINISTRATIVE SERVICES MEASURES AND TARGETS

Type of Performance Measure: List of Measures	2002-03 Actual	2003-04 Actual	2004-05 Projection	2005-06 Target
Outputs: Units of Activity directed toward Goals				
Number of major events bookings - building rentals	N/A	48	48	49
Efficiency: Program Costs related to Units of Activity				
Contractual services as percent of total costs	N/A	19.3%	22.7%	28.6%
Activity Costs	\$1,176,870	\$1,628,567	\$1,453,889	\$807,077

CITY OF DETROIT
Civic Center
Financial Detail by Appropriation and Organization

Administration	2004-05 Redbook		2005-06 Dept Final Request		2005-06 Mayor's Budget Rec	
	FTE	AMOUNT	FTE	AMOUNT	FTE	AMOUNT
Administration						
<i>APPROPRIATION ORGANIZATION</i>						
00008 - Administration						
140010 - Administration	9	\$1,098,889	9	\$963,063	9	\$450,077
140030 - Arena Taxes	0	\$355,000	0	\$357,000	0	\$357,000
APPROPRIATION TOTAL	9	\$1,453,889	9	\$1,320,063	9	\$807,077
ACTIVITY TOTAL	9	\$1,453,889	9	\$1,320,063	9	\$807,077

CITY OF DETROIT
Budget Development for FY 2005-2006
Appropriations - Summary Objects

	2004-05	2005-06	2005-06
	Redbook	Dept Final	Mayor's
		Request	Budget Rec
AC0514 - Administrative Services			
<i>A14000 - Civic Center</i>			
SALWAGESL - Salary & Wages	575,129	474,876	203,587
EMPBENESL - Employee Benefi	376,061	341,318	130,559
PROFSVCSL - Professional/Cont	60,000	60,000	60,000
OPERSUPSL - Operating Supplie	25,000	25,000	27,842
OPERSVCSL - Operating Service	42,699	41,869	48,089
OTHEXPSSL - Other Expenses	375,000	377,000	337,000
<i>A14000 - Civic Center</i>	<i>1,453,889</i>	<i>1,320,063</i>	<i>807,077</i>
AC0514 - Administrative Services	1,453,889	1,320,063	807,077
Grand Total	1,453,889	1,320,063	807,077

CIVIC CENTER (14)

CIVIC CENTER FACILITIES OPERATIONS ACTIVITY INFORMATION

ACTIVITY DESCRIPTION: CIVIC CENTER FACILITIES OPERATIONS

The Civic Center Department's Facilities Operations unit is to provide management, event coordination, maintenance, security, customer service, food service and a positive environment at one of the nation's largest exhibition centers. Sales and marketing staff are included in this section and work closely with Administrative Services and the Detroit Metro Convention and Visitors Bureau (DMCVB). This unit manages a substantial volume of city property and is primarily responsible for the management and/or tenant relations for Joe Louis Arena, Cobo Arena, Veterans Memorial Building and Ford Auditorium. The Civic Center Department also manages, operates and controls the chilled water and refrigeration plant. The chilled water is supplied by the Civic Center Department and distributed to Joe Louis Arena, Cobo Arena, and the Veterans Memorial Building (Ford/UAW Training Center) for use in their HVAC system.

GOALS:

1. Heighten our level of customer satisfaction by providing a safe and attractive facility with a responsive, customer-driven staff.
2. Increase booking and event-generated revenue through proactive initiatives, causing an increased demand for hospitality services that relate to Cobo activity.
3. Improve communication and cooperation with Detroit hospitality service providers (hotels, DMCVB, etc.)

MAJOR INITIATIVES FOR FY 2004-05 and FY 2005-06:

This facility is not part of the consolidation of building services and skilled trades into the General Services Department.

PLANNING FOR THE FUTURE FOR FY 2005-06, FY 2006-07 and BEYOND:

The impact of the proposed convention center authority on facility operations is not determined. The Department is assessing cost-effective ways of providing building services, including how to transform the processes through which work is assigned and the job responsibilities of staff. This assessment will include concession vendor arrangements, with an eye toward increasing revenues, containing cost factors, and realizing efficiencies.

CIVIC CENTER (14)

CENTER FACILITIES OPERATIONS MEASURES AND TARGETS

Type of Performance Measure:	2002-03	2003-04	2004-05	2005-06
List of Measures	Actual	Actual	Projection	Target
Outputs: Units of Activity directed toward Goals				
Building repairs and maintenance expenditures	N/A	\$2,371,552	\$1,827,700	\$1,280,000
Efficiency: Program costs related to Units of Activity				
Hall rentals as percent of total rentals	N/A	N/A	67%	65%
Restaurant concession as percent of total revenue	N/A	17.7%	12.8%	21.4%
Activity Costs	\$25,191,955	\$25,037,300	\$22,805,279	\$16,760,143

CITY OF DETROIT
Civic Center
Financial Detail by Appropriation and Organization

Sales & Marketing Cobo Center	2004-05 Redbook		2005-06 Dept Final Request		2005-06 Mayor's Budget Rec	
	FTE	AMOUNT	FTE	AMOUNT	FTE	AMOUNT
<i>APPROPRIATION ORGANIZATION</i>						
00011 - Cobo Center						
140040 - Sales & Marketing	13	\$774,298	13	\$911,464	14	\$451,880
140045 - Operations	5	\$409,521	5	\$329,656	5	\$148,750
140060 - Information Desk	0	\$51,112	0	\$42,502	0	\$16,010
140090 - Maintenance	23	\$17,840,555	23	\$17,809,514	22	\$13,632,680
140100 - Building Services	19	\$1,083,520	19	\$1,116,851	19	\$427,120
140110 - Building Services Extra Service	0	\$18,109	0	\$11,902	0	\$4,483
140140 - Security Cobo Org	8	\$1,703,164	8	\$1,946,203	8	\$1,039,220
APPROPRIATION TOTAL	68	\$21,880,279	68	\$22,168,092	68	\$15,720,143
00890 - Cobo - Renewal and Replacement						
140050 - Renewal & Replacement	0	\$925,000	0	\$1,040,000	0	\$1,040,000
APPROPRIATION TOTAL	0	\$925,000	0	\$1,040,000	0	\$1,040,000
ACTIVITY TOTAL	68	\$22,805,279	68	\$23,208,092	68	\$16,760,143

CITY OF DETROIT
Budget Development for FY 2005-2006
Appropriations - Summary Objects

	2004-05 Redbook	2005-06 Dept Final Request	2005-06 Mayor's Budget Rec
AC1514 - Civic Center Facilities Operations			
<i>A14000 - Civic Center</i>			
SALWAGESL - Salary & Wages	2,752,253	2,846,867	1,149,538
EMPBENESL - Employee Benefi	1,822,026	2,039,477	664,659
PROFSVCSL - Professional/Cont	5,196,715	4,754,000	4,515,931
OPERSUPSL - Operating Supplie	1,715,000	1,615,500	1,105,500
OPERSVCSL - Operating Service	8,300,347	8,803,310	8,843,592
CAPOUTLSL - Capital Outlays/Mi	925,000	1,040,000	1,040,000
OTHEXPSSL - Other Expenses	30,000	45,000	(2,623,015)
FIXEDCHGSL - Fixed Charges	2,063,938	2,063,938	2,063,938
<i>A14000 - Civic Center</i>	<i>22,805,279</i>	<i>23,208,092</i>	<i>16,760,143</i>
AC1514 - Civic Center Facilities Operation:	22,805,279	23,208,092	16,760,143
Grand Total	22,805,279	23,208,092	16,760,143

CIVIC CENTER (14)

PROPERTY MANAGEMENT ACTIVITY INFORMATION

ACTIVITY DESCRIPTION: PROPERTY MANAGEMENT

The Property Management Division includes cleanup, maintenance, security, and customer service for Hart Plaza. This Division is primarily responsible for the management and/or tenants relations for Hart Plaza, and Ford Auditorium.

GOALS:

Heighten customer satisfaction with City of Detroit tourist and special event attractions, by providing safe and attractive facilities with responsive, customer-driver staff.

MAJOR INITIATIVES FOR FY 2004-05 and FY 2005-06:

The 2005-06 Recommended Budget includes funds to support Hart Plaza festival and event programming.

Ford Auditorium will continue to be minimally secured in preparation for demotion by the end of 2005-06.

PLANNING FOR THE FUTURE FOR FY 2005-06, FY 2006-07 and BEYOND:

When the regional governance structure for the convention center is established during 2005-06, responsibility for Hart Plaza will be transferred to the Detroit Economic Growth Corporation and the Civic Center Department will be dissolved. The space is an important part of the three-mile stretch of riverfront between Belle Isle and the Joe Louis Arena that is in the Phase I plan of the Detroit Riverfront Conservancy. The River Walk, which was the first completed pathway of the riverfront during the Detroit 300 celebration in 2001 is connected to the Hart Plaza site. How Hart Plaza will be integrated is not yet determined.

The DEGC managed the request for proposals for services needed to plan the earlier phases of the redevelopment. Further planning will occur.

When the Convention Center Authority is established, responsibility for the Veteran's Memorial Building lease will transfer to the Asset Management Unit of the recommended General Services Department.

CIVIC CENTER (14)

PROPERTY MANAGEMENT MEASURES AND TARGETS INFORMATION

Type of Performance Measure:	2002-03	2003-04	2004-05	2005-06
List of Measures	Actual	Actual	Projection	Target
Outputs: Units of Activity directed toward Goals				
No. of activity hours at Hart Plaza	N/A	350	350	350
Activity Costs	\$0	\$1,298,935	\$2,808,808	\$1,466,495

CITY OF DETROIT
Civic Center
Financial Detail by Appropriation and Organization

Property Management Administration Property Management	2004-05 Redbook		2005-06 Dept Final Request		2005-06 Mayor's Budget Rec	
	FTE	AMOUNT	FTE	AMOUNT	FTE	AMOUNT
<i>APPROPRIATION</i> <i>ORGANIZATION</i>						
11150 - Property Management						
140350 - Property Management Administration	7	\$266,116	7	\$390,310	7	\$116,296
140370 - Hart Plaza Management	0	\$1,842,692	0	\$1,833,606	0	\$850,199
140385 - Country Music Festival	0	\$700,000	0	\$500,000	0	\$500,000
APPROPRIATION TOTAL	7	\$2,808,808	7	\$2,723,916	7	\$1,466,495
ACTIVITY TOTAL	7	\$2,808,808	7	\$2,723,916	7	\$1,466,495

CITY OF DETROIT
Budget Development for FY 2005-2006
Appropriations - Summary Objects

	2004-05 Redbook	2005-06 Dept Final Request	2005-06 Mayor's Budget Rec
AC3514 - Property Management			
<i>A14000 - Civic Center</i>			
SALWAGESL - Salary & Wages	177,568	228,694	81,754
EMPBENESL - Employee Benefi	88,548	161,616	34,542
PROFSVCSL - Professional/Cont	967,175	942,888	942,888
OPERSUPSL - Operating Supplie	327,700	290,000	290,000
OPERSVCSL - Operating Service	527,817	580,718	297,311
CAPEQUPSL - Capital Equipmen	20,000	20,000	20,000
OTHEXPSSL - Other Expenses	700,000	500,000	(200,000)
<i>A14000 - Civic Center</i>	<i>2,808,808</i>	<i>2,723,916</i>	<i>1,466,495</i>
AC3514 - Property Management	2,808,808	2,723,916	1,466,495
Grand Total	2,808,808	2,723,916	1,466,495

CITY OF DETROIT
Budget Development for FY 2005-2006
Appropriation Summary - Revenues

	2003-04 Actuals	2004-05 Redbook	2005-06 Dept Final Request	2005-06 Mayor's Budget Rec	Variance
A14000 - Civic Center					
<i>00008 - Administration</i>					
447300 - Other Utility Revenue	0	700,000	700,000	700,000	0
447505 - Telephone And Telegran	0	100	100	100	0
447555 - Other Reimbursements	0	31,023	31,023	31,023	0
462100 - Rental-Public Bldgs & S	1,260	0	0	0	0
462130 - Building Rentals	2,161,608	3,000,000	2,758,000	2,758,000	(242,000)
463100 - Miscellaneous Concess	725,222	2,152,852	2,000,000	2,000,000	(152,852)
463175 - Restaurant Concessions	1,223,199	1,300,000	2,150,000	1,750,000	450,000
463185 - Checking Concessions	36,247	50,000	50,000	50,000	0
472130 - Equipment Rentals	28,317	100,000	30,000	30,000	(70,000)
474100 - Miscellaneous Receipts	3,301	2,000	3,000	3,000	1,000
510100 - Street Funds Reimburse	71,500	79,370	79,370	79,370	0
<i>00008 - Administration</i>	<i>4,250,654</i>	<i>7,415,345</i>	<i>7,801,493</i>	<i>7,401,493</i>	<i>(13,852)</i>
<i>00011 - Cobo Center</i>					
462130 - Building Rentals	6,850	0	0	0	0
474100 - Miscellaneous Receipts	(205)	0	0	0	0
510100 - Street Funds Reimburse	7,870	0	0	0	0
<i>00011 - Cobo Center</i>	<i>14,515</i>	<i>0</i>	<i>0</i>	<i>0</i>	<i>0</i>
<i>00890 - Cobo - Renewal and Replacement</i>					
461100 - Earnings On Investment	15,976	0	0	0	0
510325 - Transfers From Other Ft	974,797	925,000	1,040,000	1,040,000	115,000
<i>00890 - Cobo - Renewal and Replacem</i>	<i>990,773</i>	<i>925,000</i>	<i>1,040,000</i>	<i>1,040,000</i>	<i>115,000</i>
<i>07226 - Insurance Settlements</i>					
472205 - Insurance	17,000	0	0	0	0
<i>07226 - Insurance Settlements</i>	<i>17,000</i>	<i>0</i>	<i>0</i>	<i>0</i>	<i>0</i>
<i>10318 - Capital Improvement - Bonds - Civic Cent</i>					
522100 - Sale Of Bonds	40,000	0	0	0	0
<i>10318 - Capital Improvement - Bonds -</i>	<i>40,000</i>	<i>0</i>	<i>0</i>	<i>0</i>	<i>0</i>
<i>11150 - Property Management</i>					
447300 - Other Utility Revenue	665,345	90,000	90,000	90,000	0
462100 - Rental-Public Bldgs & S	0	38,000	38,000	38,000	0
462125 - Rental - Acquired Prope	0	34,000	34,000	34,000	0
462130 - Building Rentals	781,277	940,316	940,316	940,316	0
474100 - Miscellaneous Receipts	2,085	700,000	500,000	500,000	(200,000)
<i>11150 - Property Management</i>	<i>1,448,707</i>	<i>1,802,316</i>	<i>1,602,316</i>	<i>1,602,316</i>	<i>(200,000)</i>
A14000 - Civic Center	6,761,649	10,142,661	10,443,809	10,043,809	(98,852)
Grand Total	6,761,649	10,142,661	10,443,809	10,043,809	(98,852)

CITY OF DETROIT
MAYOR'S 2005/2006 RECOMMENDED BUDGET

Civic Center

Appropriation	REDBOOK FY 2004	DEPT REQUEST	MAYORS FY 2005
Organization	2005 FTE	FY 2005 2006 FTE	2006 FTE
Classification			
00008 - Administration			
140010 - Administration			
Director - Civic Center	1	1	1
Deputy Director - Civic Center	1	1	1
General Manager - Civic Center	1	1	1
Manager I - Civic Center	1	1	1
Executive Secretary III	1	1	1
Executive Secretary II	1	1	1
Sr Stenographer - Exempted	1	1	1
Office Assistant II	2	2	2
Total Administration	9	9	9
Total Administration	9	9	9
00011 - Cobo Center			
140040 - Sales & Marketing			
Manager II - Civic Center	1	1	1
Manager I - Civic Center	1	1	1
Sales Manager - Civic Center	1	1	1
Asst Sales Mgr - Civic Center	2	2	2
Sr Civic Center Account Rep	2	2	2
Civic Center Account Rep	5	5	5
Senior Stenographer	1	1	1
Admin Asst GD III	0	0	1
Total Sales & Marketing	13	13	14
140045 - Operations			
Civic Center Svcs Foreman	2	2	2
Civic Center Svcs Supervisor	1	1	1
Prin Civic Center Oper Asst	1	1	1
Sr Promotional Activities Asst	1	1	1
Total Operations	5	5	5
140090 - Maintenance			
Manager II - Civic Center	1	1	1
Bldg Oper Sprv - Grade II	1	1	1

CITY OF DETROIT
MAYOR'S 2005/2006 RECOMMENDED BUDGET

Civic Center

Appropriation	REDBOOK FY 2004	DEPT REQUEST	MAYORS FY 2005
Organization	2005 FTE	FY 2005 2006 FTE	2006 FTE
Classification			
00011 - Cobo Center			
140090 - Maintenance			
Bldg Maintenance Foreman	1	1	1
Elect Worker - General	3	3	3
Sr Assoc Mech Eng - Operation	1	1	0
Finish Carpenter	1	1	1
Plumber	1	1	1
Finish Painter - Bldg Spray	1	1	1
Refrig Equip Oper 1st Class	4	4	4
Bldg Control Station Operator	4	4	4
Electrical Equip Technician	1	1	1
Building Mechanic	3	3	3
Office Assistant III	1	1	1
Total Maintenance	23	23	22
140100 - Building Services			
Civic Center Facility Worker	17	17	17
Civic Center Facility Wrkr-SS	2	2	2
Total Building Services	19	19	19
140140 - Security Cobo Org			
Sprv Srve Guard - GD II	1	1	1
Senior Service Guard General	1	1	1
Service Guard - General	6	6	6
Total Security Cobo Org	8	8	8
Total Cobo Center	68	68	68
11150 - Property Management			
140350 - Property Management Administrati			
Reservation Event Coordinator	1	1	1
Recreation Instructor	2	2	2

CITY OF DETROIT
MAYOR'S 2005/2006 RECOMMENDED BUDGET

Civic Center

Appropriation	REDBOOK FY 2004	DEPT REQUEST	MAYORS FY 2005
Organization	2005 FTE	FY 2005 2006 FTE	2006 FTE
Classification			
11150 - Property Management			
140350 - Property Management Administration			
Playleader - Spec Ser	4	4	3
Total Property Management Administration	<u>7</u>	<u>7</u>	<u>6</u>
Total Property Management	<u>7</u>	<u>7</u>	<u>6</u>
Agency Total	<u><u>84</u></u>	<u><u>84</u></u>	<u><u>83</u></u>